

# NSDAP Economic Program (1932)

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[research.calvin.edu/german-propaganda-archive/sofortprogramm.htm](http://research.calvin.edu/german-propaganda-archive/sofortprogramm.htm)

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**Background:** This pamphlet, issued around May of 1932 (before the July Reichstag election), outlines the official Nazi positions on economic policy. It was issued in a large edition, and was to be binding on party speakers and writers. It provides a wide range of proposals, many of which would have looked attractive to Germans suffering through the Great Depression, which was far worse in Germany than in the United States. It is based on the work of Gregor Strasser, somewhat on the “left” of the party, and who six months later left it. The program aroused considerable opposition from business and financial circles, with the result that Hitler ordered that distribution of it cease in October 1932.

I’m not as familiar with economic terminology as with other areas, so I’m less confident of the accuracy of my translation than I usually am.

**The source:** *Wirtschaftliches Sofortprogramm der N.S.D.A.P.* (Munich: Eher Verlag, 1932).

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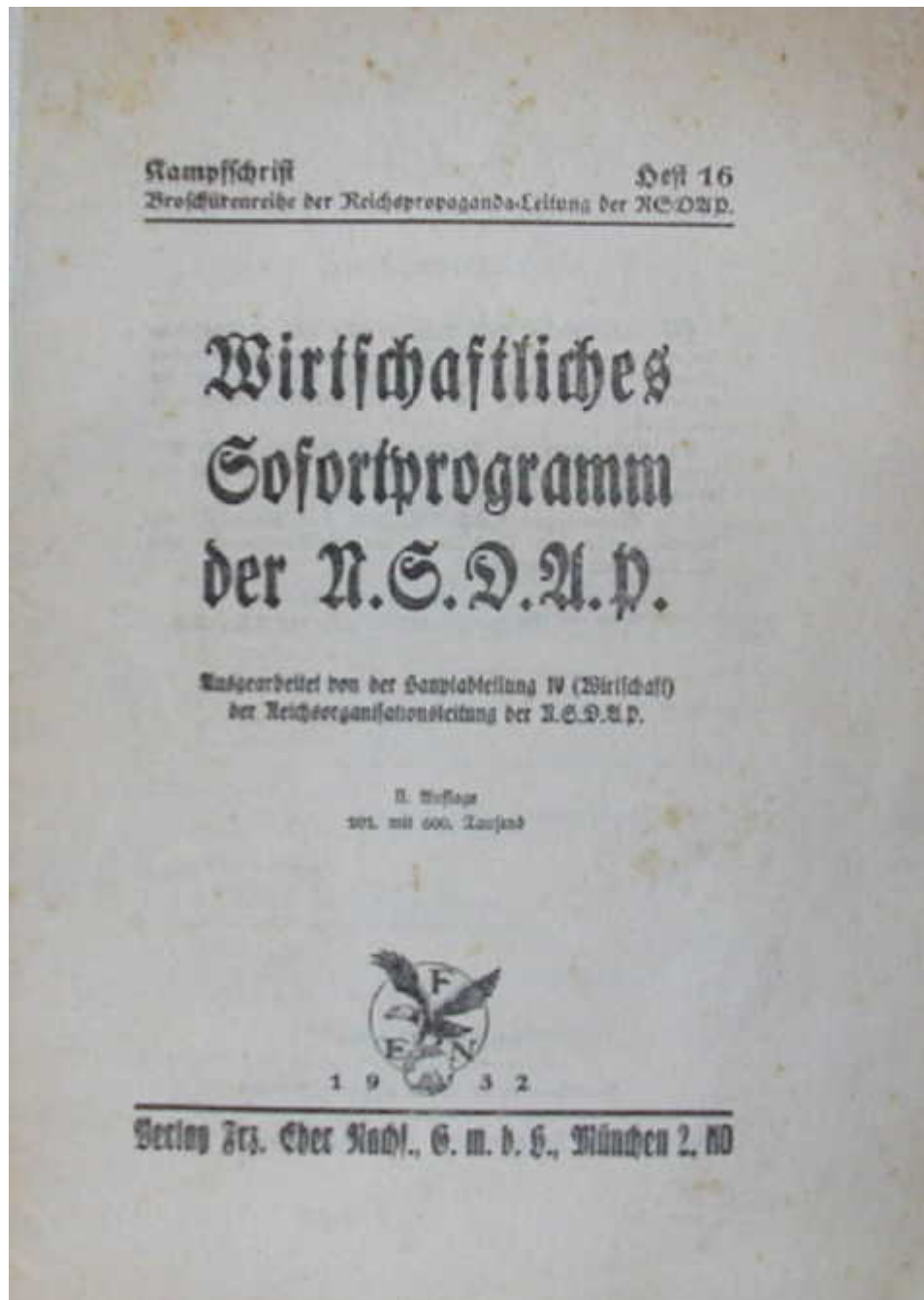
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The following discussion contains the NSDAP’s emergency economic program in the form of concise information for speakers. It provides binding guidelines for NSDAP speakers as well as for press articles.

All statements by party comrades that deviate from or contradict this material are to be viewed as private opinions.

NSDAP speakers are encouraged to use the material particularly during the campaign for 31 June 1932 election.

## I. The National Socialist Job Creation Program



#### A. The reasons for creating jobs

- Unemployment causes poverty, employment creates prosperity.
- Capital does not create jobs, but rather jobs create capital.
- Unemployment burdens the economy, but job creation stimulates the economy.
- Working people cannot be satisfied with meager unemployment benefits. Working people demand the right to a job.

#### B. Methods of creating job

- We have the productive capacity for more jobs.
- We have markets for increased jobs.
- These markets are available only domestically.
- Creating jobs requires refocusing the German economy on the domestic market.
- Focusing on the domestic market requires an increase in agricultural production.

- The focus on domestic markets must lead to the social liberation of the German worker.
- What needs to be done.
- Only the state can accomplish these tasks.

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## M. Social issues

- The right to employment
- Existing jobs must be reserved for German people's comrades
- Social insurance
- Care of the elderly
- Profit sharing
- Labor service

Literature: Gregor Straßer, *Jobs and Prosperity* (Reichstag speech of 10 May 1932, Franz-Eher-Verlag, 10 pf.

Ottokar Lorenz, *Eliminating Unemployment* (Wirtschaftspolitischer Verlag, Berlin W 35, Am Karlsbad 19, Price: 50 pf.).

### 1. Unemployment causes poverty, employment creates prosperity.

Just as the individual sinks into poverty when he no longer has a job, so also must a whole people sink into poverty when it does not use its productive strength and tolerates a political-economic system that hinders people's comrades who are willing and able to work to support themselves.

### 2. Capital does not create jobs, but rather jobs create capital.

The "brilliant" capitalist economists maintain that we cannot work because we lack the means. That is nonsense. The less we work, the less must be our means and the greater the unproductive waste and destruction of our national resources. The more we work, the greater our capital, and therefore the greater the results of our labor.

### 3. Unemployment benefits burden the economy, but job creation stimulates the economy.

- With less labor, less is produced, and therefore less can be consumed. The result: **hunger, poverty, and wage cuts.**
- The fewer who work, the fewer who pay taxes, To get the same tax revenues, therefore, individuals must bear a heavier burden. The result: **tax increases.**
- Decreasing purchasing power and increased taxation forces more firms into bankruptcy. The result: **an increase in unemployment.**
- The unemployed must be supported by the community, which means an increase in public expenditures. The result: **the collapse of public finance, despite an increase in taxation.**
- Contributions to the unemployment fund decrease, while poverty forces more to depend on it. The result: **collapse of the unemployment compensation system, despite increases in contributions and cutting of benefits.**
- Private industry collapses under the increased burdens. Small firms become bankrupt. **Independent people are ruined.** Big capitalist firms, trusts, etc., are rescued by the state, since their collapse would throw hundreds of thousands of people into poverty. **Billions go for rescuing banks, hundreds of millions for supporting the big industrial and shipping concerns.**

All of these sacrifices are useless. Unemployment, poverty, and deficits have to get worse, the general situation ever more hopeless, as long as there is not a complete change. **Only a systematic program of job creation can bring that change.**

If public means are no longer wasted, but rather are used to create jobs, our labor will no longer be wasted, but rather used productively, which will result in improvements everywhere: **an increases in production, increased purchasing power, reduction in taxes, a general improvement in the economy.**

Today we are wasting our resources, but this policy will lead to the formation of new capital. National Socialism will ensure that this new capital belongs exclusively to those who have created it through their labor and sacrifice.

#### **4. Working people cannot be satisfied with meager unemployment benefits. Working people demand the right to a job.**

Tolerating unemployment means a brutal deprivation of rights for the productive people's comrade. He is robbed of his freedom to earn his living by his own efforts. He is robbed of the ability to support himself, and is forced to rely on miserable public support, which is constantly being cut. The working people does not want to sell its right to life for these few pennies, but rather demands the right to work. We National Socialists are in the forefront of the battle for the rights of working people. That is why we were the first to proclaim this right, and to have proposed a job creation program.

#### **1. We have the productive capacity for more jobs.**

The stupidest objection to job creation is the claim that we lack the productive capacity. We have the land to produce more food (see section C). We have the mines to produce more coal and ore. We have the water power to generate more electricity. We have the machines and factories necessary to produce anything we can think of. Today, however, the land is not cultivated, mines shut down, factories close their gates, and machines rust. **Our economy is ailing not because we lack productive capacity, but rather because the existing productive capacity is not used.**

#### **2. We have markets for increased jobs.**

Markets for German production **must exist as long as the needs of the last German people's comrade are not met.** Today, 6 million people's comrades are unemployed. They are starving, and they and their families suffer the most bitter poverty. And how many of the other people's comrades today have what they need to live? In the face of bitter poverty, the capitalist press dares to write about overproduction. The opposite is true. **German production today is far under what our people needs. It can, therefore, be greatly increased.**

#### **3. These markets are available only domestically.**

If the German economy is to meet its real task — meeting the needs of the German people — there are vast opportunities that are not today being met. **Previous economic policy has aimed above all at increasing German exports**, which has **disrupted the domestic market** in the interests of our ability to compete on the world market. (For example, pressure on wages, insufficient protection of domestic production against competition from abroad.) This economic policy has failed completely. Despite all efforts, German exports fell from a monthly average of 1.2 billion marks in 1927 to 506.9 million marks in the first five months of 1932. The current system destroyed the domestic market while simultaneously losing ground on the world market.

#### **4. Creating jobs requires refocusing the German economy on the domestic market.**

The results of previous economic policy have proven that all the efforts to increase our exports resulted not in increased jobs, but only in increased unemployment. We therefore have to seek increased sales where they are to be found, in the domestic market. Therefore, we need to increase protection for domestic production (see section F 1), since otherwise the dumping prices of foreign competitors will make selling our own products on the domestic market impossible.

#### **5. Focusing on the domestic market requires an increase in agricultural production.**

Although our industrial production capacity is far greater than necessary to meet German demand, our agriculture today is not in a position to produce what the German people needs. Within a few years, however, German soil can be improved and its cultivation intensified so that Germany can be independent of foreign foodstuffs (see Section C).

#### **6. The focus on domestic markets must lead to the social liberation of the German worker.**

Refocusing the German economy on the domestic market can succeed only if the masses of the people have sufficient purchasing strength to absorb the increased production. That, in turn, can happen only if each German has the right to a job, and when each worker receives a decent income that corresponds to his achievements. These are the foundations for freeing the worker. And refocusing the economy on the domestic market will automatically reduce the influence of capital, for the significance of the large capitalist concerns will decrease as the significance of agricultural production increases. Given the current situation in Germany, agricultural production cannot expand by expanding the large operations, but rather only by strengthening the independent small and mid-sized farmers. This will provide the opportunity and necessity of helping poor workers to gain their own homes — a further step toward deproletarianizing working people.

#### **7. What needs to be done.**

The following steps must be taken to refocus the German economy on the domestic market:

Promoting the fertility of German soil by **land reclamation** (see Section C).

**Building developments with single-family houses** for workers to promote the deproletarianization of working people, strengthening the purchasing power of workers, and encouraging a reduction in the industrial working day (see Section D).

**Building roads, canals, etc.**, to support the domestic exchange of goods, settling people in the East, and loosening the hold of big cities.

**A general financing of production** to promote private industry.

## **8. Only the state can accomplish these tasks.**

The burden on public finance caused by unemployment today hinders any attempt to promote new jobs and production facilities, that is, any growth in private industry.

**Economic prosperity will be achieved only through a generous program of job creation, which will also restructure the economy.** Only the state is in a position to accomplish such a task.

a) Draining land: 8.5 million hectares. The increase in production is 80 marks per hectare, or 680 million marks in total.

b) Marling meadows and fields: 2 million hectares. This will result in an increase in production of 50 marks per hectare, or 100 million marks.

c) Cultivable moor lands: 1,900,000 hectares, increasing production by 300 marks per hectare, or 570,000,000 marks.

d) Cultivable barren land: 600,000 hectares, increasing production by 200 marks per hectare, or 120 million marks.

e) Redistributing lands in need of improvement: 5 million hectares, increasing production by 25% to 50%, or at least 500 million marks.

f) Land to be gained by river control, dams, and dikes: not yet determined.

## **2. Benefits and costs of the work**

The increase in production in a-e above totals around 2 billion marks.

The costs are estimated at about 8.5 billion marks, excluding land redistribution costs, by the German Society for Land Reclamation. Assuming an additional 1.5 billion marks for land redistribution, dams, and dikes, total costs would be about 10 billion marks, resulting in an annual increase in productivity of at least two billion marks.

## **1. The private home as dwelling**

Along with food and clothing, housing is one of the necessities of life. The majority of those who live in big cities today do not live in decent apartments, but rather in terrible confined quarters without light and fresh air. The bad effects of such apartments on people is clear from the general state of health and decline in the birthrate in big cities,

which are far below the average. The number of deaths exceeds the number of births. Big cities would die out if people did not keep moving in. Expanding big cities is impossible for military reasons (air attacks, gas).

**Objection:** We already have too many apartments today.

**Response:** This false impression results from the general economic crisis. In fact, we have far too few satisfactory dwellings. That will become instantly apparent once unemployment declines and people can again pay for better dwellings. The only people who may be hurt by building settlements of single-family houses are those apartment owners who profit by renting the worst and most unpleasant slums.

## **2. The private home as a productive space**

Each private home should have a yard of about 1/4 hectare. That will allow a worker to raise a significant part of the food he needs from his own land. His life thereby becomes more secure, and he is less dependent on his employer. If the worker becomes an owner who is assured work and the results of his labor on his own land, he will be able to survive necessary reductions in working hours that under current economic and social conditions can result only in absolute poverty for workers.

**Objection 1:** Agriculture will be hurt by the gardens of homeowners.

**Response:** Homeowners will be unable to raise either grain or animals on their piece of land. They will have to buy these, as before, from farmers. Their produce will harm no one, for it will not replace existing production, **but rather allow the worker to consume more than before.** They will produce that which they lack today because they are unable to buy it. The market for German agriculture will increase significantly as a result of decreased unemployment and our commercial measures.

**Objection 2:** The produce of homeowners will harm farmers' markets.

**Response:** Homeowners will not sell their produce, but rather usually consume what they produce themselves. Farmers sell little directly to workers. But even if sales decline slightly, it will be made up ten times over by increased sale of young plants, seeds, etc., to home owners.

**Objection 3:** Brüning's government had a complete fiasco with housing settlements at the edges of cities.

**Response:** That is true, **but our plan is entirely different than Brüning's.** The new private homes will not be dog houses, as Brüning's System planned, but rather solid, useful homes in which the owners will take pleasure.

Furthermore, Brüning's housing developments would surely be threatened as he reduces unemployment payments, without the settlers being able to support themselves from their tiny plots of land. National Socialist housing developments will benefit from the general



improvement in the economy, which will **guarantee that the homeowners have jobs** (usually part-time employment). This produce will be an additional resource, not his only source of income.

### **3. Building settlements of individual homes**

Each worker willing and able to buy a single-family house will receive a 40% subvention from the government. If he has a job he can borrow the rest from a state bank, which will guarantee favorable terms and a quick decision. If he is unemployed, he will be paid for helping to build the settlement (the larger the building program is, the greater can be the number of unskilled workers). A percentage of his pay will go toward the purchase of a single-family house. The terms will be at least as favorable as for the first group.

The plan is to build 400,000 private homes per year. That will provide employment for one million people.

#### **1. Financing public job creation**

As new jobs are created, unemployment and welfare payments will decline and tax revenues and social security contributions will increase. These savings and increases will cover at least 50% of total costs. On average, 75% of the costs will be for wages, 25% for plant and material costs (as much of the material costs as possible are included as wages), with the following savings and revenue increases through job creation:

Savings for the unemployed; office and town payments for unemployment support of 33% of wages, or 25% of the total costs.

Increased revenues for social security: 16% of wages, or 12% of total costs.

Increased taxes: 15% of total costs.

These monies are available for the job creation program. The state does not have to require repayment of these monies after implementation, since the funds would be spent even if the job creation program were not implemented. Those who benefit, or who purchase a private home, can, therefore, easily receive a subvention of 40%. That will encourage them to raise the rest themselves and will therefore contribute to financing job creation. They will not, of course, be able to raise the full amount immediately, but it is reasonable to assume they can provide 20% to 30% of the total costs. Since 50% of total costs will come from savings and increased revenues on the part of the government, 70% to 80% of total costs will quickly be available. The remaining 20% to 30% can be financed by credit. Such a limited increase in credit is no danger to the stability of our currency.

#### **2. Financing production**

The National Socialist job creation program will increase the prosperity and purchasing power of the people. More will be purchased, and the economy will sell more, and orders will increase. Since these increases will be gradual, interim measures to encourage production are needed.

This will involve providing credit for manufacturing standard products that are in demand and can be stored. These include grain, fertilizers, coal, metals, etc., which will receive subventions under the condition that the products be sold at **specified prices** and that **large numbers of new workers be hired**.

That will result in an immediate increase in production, and give many workers jobs and prosperity.

- The products may not be sold at a higher than allowed price,
- The credit will be paid off as the products are sold.

## 1. Foreign trade

Since the middle of last year, foreign countries began systematically to strangle German exports. The result has been a decline in **German exports of about 35%**, more than a third, in the first four months of 1932 as against the previous year, while German imports declined **about 8%** during the same period. This attack by foreign nations on the German economy has worsened our condition significantly. It is time to take defensive measures to rescue our economy.

- The reparations policies of post-war governments have made Germany one of the poorest civilized nations. [Footnote: According to **American estimates** by the official Instut (*sic*) of Economics in Washington, Germany has so far paid **38 billion marks in reparations** to the victorious states. According to **German estimates**, if one includes the occupation of the Ruhr and the dismantling of our industry, the total is 67 1/2 billion marks. And this huge sum does not include the value of the land we lost, nor that of our **colonies**. The colonies alone are estimated to be worth **80 to 100 billion marks**. Nor does it include the incalculable **harm and losses** resulting from the arbitrary dismembering of Germany. Furthermore, to pay reparations, Germany took on a **private foreign debt of 10.3 billion marks**, which it must also repay on top of reparations.] It would be an irresponsible waste to accept a negative balance of payments with foreign countries in the future. The German people does **not** exist in order to **accept the surplus production** of other peoples.
- **We** should strive to produce that which we are **capable** of producing. The German people is forced to do this.
- National Socialism demands that the needs of German workers no longer be supplied by **Soviet slaves, Chinese coolies, and Negroes**. National Socialism is determined to eliminate the barriers between the cultural level of German workers and German farmers. Therefore, **import restrictions must be implemented** when the result will be work for the German worker or the German farmer. National Socialism opposes **the liberal world economy, as well as the Marxist world economy**. **Instead**, it demands that each people's comrade be protected from foreign competition.

- Before the war, Germany was one of the great powers. Today, it is a second class country. Its **raw materials** come primarily from abroad, the transportation routes to which can be instantly severed, for Germany is not in a position to maintain and protect the routes to these sources of raw materials. Therefore, a guideline of National Socialist policy is to cover the German people's needs **by its own production as far as possible**, securing the amount in excess of domestic production from friendly European states, **particularly** if they are willing to accept **industrial products from Germany as payment**. Carrying out these measures will be the task of the Office for Foreign Economic Relations (Foreign Trade Office and Foreign Currency Office).

**Objection 1:** The decline in German exports is simply the result of the world economic crisis.

**Response:** If this were the case, exports of other countries would also have declined by 35% in the first four months of 1932. English exports, however, declined by only 8%.

**Objection 2:** Reducing imports will reduce German exports, and thus result in increased unemployment.

**Response:** German exports will not be reduced by a decrease in German imports, since we will primarily reduce imports from **those** countries from which we imported more than we exported, those with which we had a negative balance of payments. According to the official Reich Statistical Office, Germany had a negative balance of payments of about 270 million marks within countries outside Europe during the first quarter of 1932.

**Objection 3:** Protecting domestic production will lead to a general increase in prices.

**Response:** That will not happen, since to the extent German production increases, welfare payments will decline. Public expenses will therefore be lower, and distributed to a larger range of productive activity. There will, therefore, be no new burdens on the economy, but rather a lesser burden.

## 2. Foreign currency supplies

The bourgeois-liberal and Marxist governments of the post-war period have burdened the German people with foreign debts that are currently about **22 billion marks**. These private debts were loaded on to the German people to cover a part (10.3 billion) of the outrageous reparations payments, in part also (6.3 billion) to pay for **imports** of colonial goods and delicacies, not life necessities for the German people, and also to pay for foodstuffs that could have been produced domestically.

That is the inheritance that the bourgeois-liberal and Marxist governments have left to us: 22 billion in foreign debt.

- have to be repaid with interest. In 1931, the German people had to send **1.6 billion marks** in interest payments abroad.
- require not insignificant borrowing abroad. This forces the German economy to sell at **dumping and starvation prices**.

It is entirely clear that the measures mentioned are not sufficient to meet the annual payments. We will work out a **reduction in interest** with our foreign creditors, making it equivalent to the rate of interest they charge borrowers in their own countries.

**In the case of short term foreign loans**, currently about 7 billion, we will work out a **long term agreement** with our foreign creditors to free us of the risk of being robbed of the foreign currency we need for raw materials, foodstuffs, and interest payments by sudden events.

We also need a foreign currency policy. If we have a surplus of foreign currency, we do not need a policy. Today, however, we have a **shortage of foreign currency** that forced the Brüning government to develop a policy against its will, even though all the other System parties previously argued that a foreign currency policy was National Socialist nonsense.

Today we have such a shortage of foreign currency that on 30 April 1932 we had **less than 10%** in reserves of gold and foreign currency to **back the marks in circulation**. (Currency in circulation: 4.128 billion. Less than 400 million in gold and convertible foreign currency in reserve. The Reich Bank shows \$140 million, or 600 million marks, but the Reich Statistical Office does not consider these available, since it is in the form of short term loans from abroad, or from the Gold Discount Bank.)

Our present situation: Lacking any usable reserves of foreign currency, and burdened with foreign currency debts of 22 billion marks.

National Socialism will fulfill its duty to the German people, and above all to the younger generation, by using the **limited foreign currency** that we annually have **exclusively** for importing the **raw materials** that industry needs, and temporarily for purchasing the **additional foodstuffs** that we absolutely need, and cannot be produced domestically.

Furthermore, additional withdrawals from the German economy by foreign capital must be **restricted** as long as the German people's economy suffers such catastrophic blood-letting.

In the future, foreign currency may be used only in ways that benefit the whole German people. No one may be paid abroad any longer. It is intolerable that people's comrades who are paid by the state use these means in ways harmful to the German economy.

Under a National Socialist state, the flow of money and capital abroad will only happen if approved by the state **German Foreign Bank (Foreign Currency Office)**. The German Foreign Bank will coordinate all foreign currency and other valuables within the German banking system. National Socialism will insure that the **bleeding dry** of the German economy will **cease**. These measures will contribute to ending the existing system of starvation.

Imagine a large **dam**. Just as the **outlets** ensure that water flows out at an appropriate level, so also will the head of the Foreign Currency Office insure that foreign currency flows in economically appropriate ways, that they be used only for absolutely necessary

purposes, and that they do not flow abroad until the German people has survived its great crisis.

As a result of these measures, hundreds of millions will remain in the country, and additional resources will be available for the German economy. National Socialism will use these resources for **job creation**.

**Objection 1:** A foreign currency policy is useless, since one cannot guarantee that some people will not get around the regulations.

**Response:** A foreign currency policy is absolutely necessary to maintain economic order. He who rejects a foreign currency policy might as well reject criminal law, since criminal laws are often violated. Using the same reasoning, one would eliminate the railroad security service and take down the signals, since these measures do not completely eliminate railway accidents.

**Objection 2:** We already have this kind of foreign currency policy.

**Response:** Currently, there is **only an obligation to report** to the Reich Bank for Foreign Currency. We, however, demand that no foreign currency transactions occur without the permission of the German Foreign Bank (Foreign Currency Office), and that **all transfers to and from other countries** go through the Foreign Currency Office. Current policy is **insufficient**, since it exempts payments up to 200 marks, allowing someone to transfer a large sum in 200 mark increments. It also exempts **securities** purchased **before 15 July 1931**.

We, on the other hand, will require that any transfer of foreign currency can be controlled, that a tight law without loopholes be passed to enable the German Foreign Bank to control all foreign currency.

Most important, we will ensure that foreign currency flows into economically important channels, whereas today it is distributed according to a mechanical plan.

Additionally, a foreign currency policy provides the state with the ability to control foreign commerce.

### 3. Law against capital flight

National Socialism demands that everything possible be done to make capital that has been transferred abroad useful again for the German economy.

In order to make the **burdens** its emergency decrees have put on the German people **more palatable**, the **Brüning** government has found it advisable to issue several regulations against capital flight.

- It is necessary to introduce a **general reporting requirement with no minimum level**, and not to **exempt any property** that was sent abroad before a certain time.
- Foreign companies in Germany, and German companies abroad, must be strictly supervised to prevent capital transfers.

- Capital transfers must be declared an economic crime punishable by the death penalty.

#### 4. Currency Reform

For years, National Socialism has called for Germany **to give up the gold standard**:

- The Reich Bank's **gold and foreign currency reserves** are constantly declining. As of 30 April 1932, **we** had reserves to cover **less than 10%** of the banknotes in circulation (the short term foreign credits, according to the head of the Statistical Office are also not sufficient to cover them).
  - This would make German industry competitive on the world market.
- The economic effects of departing from the gold standard are most clearly shown by **England's departure from the gold standard**.

According to Nr. 4, Part A of the semi-official ***Vierteljahrshefte für Konjunkturforschung***:

"While the contraction process continued in other countries, the process **came to a halt** in the fourth quarter — after a slowing down had already occurred. **Production**, imports of raw materials, and exports **increased**. This is the **result of freeing the pound from the gold standard**, and the resulting change in the value of the pound."

Giving up the gold standard, therefore, had the **best consequences imaginable** for the English economy. **Within the framework of its emergency program, therefore, National Socialism demands the introduction of an equalization fee (foreign currency tax)** for those countries that have given up the gold standard, or else reduced the exchange rate of their currency during the post-war period in comparison to its value before the war. The equalization fee will be **paid by those who import goods and will be credited to those who export goods**.

**Objection:** Giving up the gold standard means inflation, according to the bourgeois-Marxist press.

**Response:** England gave up the gold standard on 21 September 1931. The pound's rate of exchange fell by 70%, but the **domestic purchasing power** of the pound remained **unchanged**. According to Nr. 4, Part A, page 16 of the semi-official ***Vierteljahrshefte für Konjunkturforschung*** (volume for 1931/32):

"There were only slight increases in prices. Up to November, wholesale prices increased by about 8%, then **declined** as a result of developments on the world market. Thus, **after a temporary increase**, prices fell again. The increase in wholesale prices was largely due to adjustments resulting from prices determined abroad to the revaluation of the pound. **Domestic prices** were either **not affected at all, rose only slightly, or even declined**."

#### 1. Bank supervision

The problems with today's private banking system are clear. Bank presidents receive hundreds of thousands in **pay** for their supposed vastly important work; **each** member of the board of directors, which usually meet only once a year, often **receives** tens of thousands. The responsibility of bank presidents and boards of directors is shown by the fact that the state had to pay 1 1/2 billion marks for their **foolish speculations and bad investments**. Bank presidents **do what they want**, and the **state pays** the bills.

We therefore demand that the banking system and the **money and capital systems** be nationalized, just as the **railroad and postal systems** were fifty years ago, when under Bismarck's leadership the transportation of persons, goods, and communications were taken under state control.

As a result of the state support since July 1931, through which the Reich covered 1 1/2 billion marks of foolish speculation on the part of the big banks with tax money, **more than half of the German credit bank system is already in the hands of the Reich**.

As preparation for the nationalization of the banking system, we demand the right of the state **to supervise and intervene**, and a requirement that banks **report to the state**.

The **supervisory capacity** must give the state the possibility of fully understanding everything that happens in the banking system, and the **right to intervene** must make it possible to introduce measures in the banking system that are in the interest of the economy. The **reporting requirement** will insure a monthly statement on all positions and important changes.

Only these measures will make it **possible** to stop **foolish investments**. Only they will make it possible to **reduce interest rates** to the necessary degree and break the slavery of interest. And only these measures can create the foundation for **financing the job creation program**.

Furthermore, the head of the Bank Office will have the authority to make the organizational changes he thinks necessary to prepare for and implement the nationalization of the banking system.

## **2. The money transfer system**

Germany is behind in the cashless transfer of money. In **England** checks have become widely accepted. In **America**, children learn how to fill out a check in school. We demand a significant expansion of the money transfer system, in particular of the Reich Bank and the Post Office banks, as well as the systems of **the other credit banks**. We further demand legal protection for cashless money transfers, as already exists in other countries, so that he who writes a check or transfers money at post office banks or Reich Bank branches **without having the necessary funds in his account** will be severely punished. Postdating checks or transfer orders will also be punishable.

**Postal checks** will have a **convenient size**.

An expansion of the money transfer system will help eliminate the **shortage of currency** in circulation, and also **concentrate** the money within the economy, as has happened in England, and which has contributed to the **leading role of the London financial market**. This will also increase the credit basis for job creation. The expansion of the money transfer system will also make the overall financial situation clearer and **decrease** the cost of money transfers.

### 3. Reducing interest rates

The charging of interest has lost its purpose when it devours, or even exceeds, the profits of production. In the latter case, the productive capacity itself, and therefore the jobs, are destroyed. Current interest rates have had that effect. There are significantly higher than during the pre-war period of prosperity. And it is obvious that a healthy economy can bear higher interest rates than one that has collapsed.

A comprehensive state control of the entire banking system must eliminate this situation and reduce interest rates to a point where productive capacity and jobs can be maintained and increased.

The **objection** that this is impossible can be answered by saying that it is absolutely necessary. Besides that, the Brüning government has already worked to reduce interest, although to an insufficient degree, without the consequences that were predicted. If interest rates are not reduced, production will cease entirely, which will put an end to interest, with the result that inflation will once again occur, savings will be lost, and the people and government will sink into chaos.

### 1. Price controls

Wages, salaries, and private income are part of national income. The degree to which it is a part consists on the one hand on the amount of the wages, salaries, and private incomes, on the other hand on the price of goods. If the price of a good is raised above the appropriate amount (cost of production plus a reasonable profit) because of a cartel or the presence of a monopoly of some sort, the purchaser must pay an unjustifiably larger part of his share of the national income. This is always socially unjust and economically dangerous.

State price controls, therefore, must insure that large deviations from appropriate prices are prevented (fertilizer prices, salt prices, radio tubes, etc.).

**Objection:** This is a harmful intervention by the state.

**Response:** If prices are reasonable, state intervention is **unnecessary**. And the freedom of creative economic activity must not be confused with the freedom to ruthlessly exploit others.

### 2. Avoiding excessive expenditures



To provide the funds for job creation, the state must exercise the greatest economy, just as in private industry.

**Party book officials**, who do nothing for the general good, and who waste public resources, must be eliminated.

**Administration must be simplified**, respecting the well-earned rights of the professional civil service.

**Expenses for prestige projects** must be radically reduced. This includes limitations on the use of government automobiles, etc. As long as cities do not have enough funds for welfare payments, they should not spend a penny for ceremonial activities.

Unnecessary expenses must also be eliminated in **private industry**. **Board of directors honoraria** must be eliminated.

### 3. Increasing the burden on those with strong shoulders

No one will believe that jobs can be created without sacrifice. But the sacrifices need to create jobs cannot randomly be added to all the other burdens laid on working people. All the sacrifices are simply evidence of the fact that the economy is collapsing, and getting worse. Sacrifices to create jobs will lead us out from collapse and to freedom. We will be sure that the sacrifices that have to be demanded will benefit working people (see section D 3: The pay deductions from purchasers of single family houses must not enrich capitalists, but rather increase the property of the worker himself. In the same way, state subventions will enable workers to gain property more easily, or to enable policies that are in the interest of the whole economy or that guarantee our people's food supply). Moreover, we will be sure that the heaviest sacrifices are not demanded from the poorest and neediest. For the duration of the crisis, sacrifices should come from those who are best able to bear them:

Those with **high incomes** over 500 marks monthly must be a surtax for job creation.

**High earners** of over 15,000 marks annually will pay a correspondingly higher tax.

For civil servants, the **highest annual pay** will be fixed at 12,000 marks. (This will not be a permanent change in the salary scale, but rather will be effective only for the duration of the current crisis.) Salaries in private industry will be similar to those of the civil service, taking into account the fact that such employees do not have a pension, and have less job security.

The growth of those with **two incomes** must be completely prohibited.

### 4. Eliminating corruption

Civil servants may not participate in any way in companies with which their offices have business relations.

Doctors may have no connections to pharmaceutical factories and other concerns that manufacture medications or health products.

The death penalty for black marketers and profiteers.

### **1. The current situation**

As a result of foreign competition, farmers receive prices that may even be under their production costs, and only a fraction of what consumers in the cities pay.

A further fundamental cause of the poverty of German farmers is the difference in prices for agricultural and industrial products when compared to the pre-war period (The agricultural price index is 91.9, the index for finished industrial products is 118.2.)

Reduced purchasing power and unbearable interest and tax rates have led to catastrophic agricultural indebtedness, which today totals about 15 billion, and devours the available operating capital. Farmers today can pay neither taxes, interest, nor debts, nor are they able to till their fields and bring in the harvest due to a lack of operating capital.

The result: Further impoverishment of farmers, reduced purchasing power, increased unemployment, and a lessening of the German people's ability to feed itself.

### **2. Wrong economic policies**

Today, we meet only three quarters of our food needs by our own work on our own soil. The missing quarter of our food needs can be met only in part because of the reduction in our purchasing power and our exports. The German people is starving, starving simply because of the wrong economic policies of the present System. (Insufficient protection from foreign products, price pressure on agricultural products, interest and tax Bolshevism, toleration and support for outdated middlemen that developed during the period of inflation.)

### **3. Correct economic policies**

Our economic policy must ensure that the German people is fed. It is clear that, with the necessary improvements, e.g. land melioration (see section C), we will be able to meet our full food needs. Full use of German soil would increase the purchasing power of farmers (a third of the total population), create work for more than a million unemployed, and additionally lead to jobs for about a million industrial workers and craftsmen, thus decreasing unemployment payments and increasing tax revenues. This would lead to a general improvement in other branches of the economy and a corresponding improvement in the German economy.

### **4. What measures must be taken?**

- Raising the prices of agricultural products by reducing imports of agricultural goods. Imports can be reduced from those states that do not take our exports, and correcting the inequity in the prices for agricultural and industrial products, without increasing prices in shops.
- Eliminating unjust profiteering by middlemen.
- Reducing the price for fertilizer.
- Reducing the interest burden to about half of its former level.
- Reevaluation of long term loans.
- Legal protections, suspension of the right to seize agricultural products and suspension of interest and principal payments until agriculture recovers.
- Provision of about 250 million for land improvement loans and about 80 million for grain elevators.
- Provision of about a million marks for agriculture, in particular for harvest loans (see section E 2.)

## **5. Settling the East**

For reasons of both population and national need, we require the fastest possible program of settlements in the East.

Goal: Establishing independent German agriculture in the threatened East.

Requirements: Fundamental improvements in agriculture in general, multiple years of taxation exemption for the settlers, cheap loans and the creation of markets by improving transportation routes, and making them less expensive.

### **1. Approval requirements for new production facilities**

As outlined in section B 5, Germany's industrial capacity is structured not only at the German domestic market, but also on export opportunities that did indeed exist during earlier periods, but today are lost due to the industrialization of many countries as well as the protection measures of both old and new industrial nations. We suffer, therefore, from inflated production capacity and underdeveloped agriculture. We must, therefore, invest new capital not in industry, but rather in agriculture. Building new industrial production facilities must be subject to approval. The approval may be granted only if good reasons are presented (e.g., for factories that reduce the need to import raw materials).

### **2. Nationalization and state supervision**

**Monopolies** that are not dissolved must immediately come under direct state administration, i.e., be nationalized. A monopoly can be run just as well by the state as by private industry. State control, however, assures that the profits benefit the nation, not finance capital.

**Stock companies** must be placed under state supervision, which will largely follow the model of bank control (see section G 1).

**Objection:** Any state intervention is harmful.

**Response:** State intervention, on the contrary, is necessary to protect the economy from the worst damage by the interests of finance capital. State intervention has gotten a bad reputation only because the Marxist parties always intervened **in the wrong places**. Although the state can administer monopolies much better than private industry, the Marxists gave them over to finance capital (the Dawes and Young Plans gave away the former German Railroad, the match monopoly was given to the big capitalist swindler Kreuger by the Social Democratic Minister of Finance Hilferding), whereas countless unnecessary government concerns were maintained that only competed with craftsmen and manufacturers, producing goods much more expensive and of lower quality than those of private industry.

### **3. Easier financing**

Companies that have contracts must be guaranteed the necessary credit to carry out those contracts. See section E 2.

#### **1. The current situation**

The two great economic sins of the System, the theft of German property through inflation and the theft of property through confiscatory taxation in the years following the inflation, have had the worst and most destructive impact on the independent middle class, proletarianizing a large part of it. The goal of National Socialist economic and social policy is to deproletarianize the German worker. Even more, a policy for the middle class must hinder the proletarianization of further parts of the people. Finance capital attacks the middle class from above, since 100 million mark loans exist for the huge concerns to finance dubious enterprises, but middle class craftsmen, businessmen, and retailers can receive only small loans at unbearable rates of interest. Then there are the department stores, chains, and low-priced outlets. From below, the middle class is attacked by Marxism, **directly** by the Red consumer cooperatives and **indirectly** through legislation (promotion of public companies).

#### **2. Department stores and consumer societies**

Immediate help is necessary. New department stores, low-priced shops, and chain stores may not be opened. The reorganization of the entire department store system following the National Socialist party program is essential. Tax preferences for user groups (consumer societies) are to be eliminated.

#### **3. Cooperatives**

All cooperatives that support the independent middle class will be protected and encouraged. Cooperatives that endanger the independent middle class will be combated through taxation and other means.

#### **4. Publicly-owned concerns**

Publicly-owned concerns are to be reduced to the absolute minimum necessary. Such concerns will be prohibited immediately from accept private orders, unless there is a compelling public interest or some other requirement (See other assistance measures under the lowering of interest, bank controls, etc.)

## **5. Public contracts**

The public contract system is to be reorganized with the fewest regulations possible, and under Point 16 of the party platform should favor small companies in the awarding of public contracts.

**Objection and Response:** The Marxist objection that one must proletarianize the independent middle class in the interests of hurrying the arrival of the future Marxist state contradicts the interests of the German worker. The goal for the German worker must not be the proletarianizing of the middle class, but rather the deproletarianizing of the German worker, and providing him with property.

### **1. The right to employment**

The foundation for solving the social question is the realization of the right to employment, which can only happen through our job creation program. A **law on employment** will lay down the rights of the worker. Freedom for creative labor will be assured, freedom for capitalist exploitation abolished.

### **2. Existing jobs must be reserved for German people's comrades**

If we are to guarantee the right to employment for our people's comrades, we must prevent non-Germans from taking jobs away from them. According to points 7 and 8 of our party platform, the state is obligated first of all to provide for its citizens. A citizen must be a people's comrade (point 4).

Consistent with this principle, we must be sure that in all production **German material is preferred to foreign material** whenever possible. This principle will be implemented immediately in the case of public contracts. Private industry can be encouraged to do the same, for example by not awarding public contracts to firms that repeatedly prefer foreign materials.

### **3. Social insurance**

National Socialism will do all it can to maintain the social insurance system, which has been driven to collapse by the present System. The only way to rescue social insurance is by creating jobs.

### **4. Care of the elderly**

We will make immediate preparations to carry out point 15 of the party platform: "We demand a generous expansion of support for the aged."

Paying new pensions, of course, can happen only after the newly insured have made contributions over a number of years. Maintenance of benefits for those injured by war and for miners is to be guaranteed.

## **5. Profit sharing**

Interest reductions (section G 3), price controls (section H 1), state supervision of corporations (section K 2), the law on employment (section M 1), the tax measures (section H 3), and the cost-saving measures (section H 2) will assure that all revenues first go to strengthening the German economy and creating jobs. As soon as the German economy has been revived by job creation and begins to produce significant profits, it will be time to develop a comprehensive system of profit sharing.

## **6. Labor service**

The labor service is not compulsory labor for the unemployed, but rather a way to involve all young German men of a certain age range in work that is important for the whole German economy, and that cannot be accomplished through normal means (those in the labor service, therefore, will not compete with workers in normal jobs). There will be no exemptions for students and the wealthy, but rather each will take a shovel in hand to serve the nation through his labor. Respect and honor for manual laborers will thereby increase, just as respect for the military is increased by the introduction of universal military service.

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